

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

THE DIVISION OF BUSINESS AND FINANCE

Funding for Multi-Campus Colleges Report

Section 8.23, S.L. 2009-451

This report is submitted to satisfy the requirement of Section 8.23 of S.L. 2009-451, which directs that *“The State Board of Community Colleges shall study the cost of funding all of the multi-campus colleges in the North Carolina Community college System and shall develop a mechanism for ensuring that newly established multi-campus colleges are funded at the same level as existing multi-campus colleges. The Board shall further explore recommendations for including new multi-campus colleges in the continuation budget. The State Board of Community Colleges shall report the results of its study to the Joint Legislative Education Oversight Committee by February 15, 2010.”*

Background

Multi-Campus Colleges (MCCs) are State Board-approved convenience locations where students may complete certificates, diplomas, and associate degrees as well as access literacy and continuing education courses. Consistent with Southern Association of Colleges and Schools (SACS) accreditation and State Board requirements, MCCs must provide comprehensive instructional support functions such as libraries and student development services. To help ensure that appropriate geographic access is provided to community college programs and services while minimizing the unnecessary duplication and proliferation of facilities and the impact on existing college campuses and centers, the State Board has adopted a policy that governs MCC designation and funds. The State Board requires college sites to meet the following criteria to receive MCC designation:¹

1. An adequate population base must exist to support the multi-campus operation.
2. Programs and services provided are based on appropriate student demand and needs.
3. Programs and services provided through off-campus centers or multi-campus comply with the *Criteria for Accreditation* of the Commission on Colleges of the Southern Association of Colleges and Schools.
4. Adequate county government maintenance and operation of physical plant support is available.
5. An instructional program and services plan has been developed which includes appropriate details concerning program mix, staffing, and instructional support functions.
6. The center or campus does not have a negative impact on institutions in contiguous areas.

¹ 2006 State Board Policy on the Designation of Off-Campus Centers & Multi-Campus Colleges: Policies and Funding Methods

7. Students enrolled at a multi-campus college must be able to complete at least one associate degree at the campus that requests the multi-campus designation.
8. The duplication of instructional support and other cost expenses are justifiable from cost effectiveness and quality perspectives.
9. The multi-campus operations must enroll a minimum of 300 budget FTE. The method to be used in deriving the FTE shall be the same as the method used for calculating Budgeted FTE (the higher of the current year or a three-year rolling average).²

As of February 1, 2010, the State Board has approved a total of 31 MCC locations. It is anticipated that the State Board will approve an additional MCC location (the Transylvania Center at Blue Ridge Community College) at its February 19, 2010 meeting, bringing the total to 32 MCCs. These 32 locations are serving over 24,000 full-time equivalent students in FY 2009-10.

Multi-Campus College Funding Formula

Since 1998, the North Carolina General Assembly has appropriated funds for MCC operations. These supplemental funds are intended to support the duplicative effort of administrative and student support services, along with the related operating costs, at these additional sites. MCCs are categorized into three levels based on the enrollment at those campuses. Assuming the MCC site continues to meet SACS and State Board criteria, a college is eligible to receive MCC funding based on the following formula:

Each MCC is eligible to receive an allocation equal to the lower of:

1. The budget FTE served at the MCC site multiplied by the Institutional Support Enrollment Allotment value (\$1,386 for FY 2009-10); or
2. The maximum allocation based on the MCC's level as defined below:

<u>MCC Level</u>	<u>Budget FTE</u>	<u>Maximum Allocation</u>
Level 1	Less than 500	\$525,000
Level 2	500 to 799	\$575,000
Level 3	800+	\$625,000

The maximum amount of funding per FTE level is established biennially, based upon inflation factors.

² Colleges approved as Multi-Campus Colleges with less than 300 BFTE at the time this policy was adopted, were grand- fathered for inclusion by the State Board of Community Colleges.

Problems with Current Funding Mechanism

Currently, colleges are not receiving the full amount of MCC for which they are eligible.

Colleges are receiving less funding than the formula prescribes for one of two reasons:

- 1. As of FY 2009-10, State funds are not adequate to fully fund the MCC formula.** If the total amount appropriated for MCCs is not adequate to fully fund allocations as prescribed by the formula above, each funded MCC receives its pro-rata share of the MCC appropriation.
- 2. To receive any MCC funding, the location must receive both the MCC designation from State Board and the General Assembly must provide funding for the location.** Since FY 2008-09, the General Assembly has failed to provide expansion funding for all newly established MCC locations. The approved MCCs that are not receiving funding include:
 - Western Stanly Campus at Stanly Community College
 - Highway 29 Business and Technology Campus at Rowan-Cabarrus Community College
 - Cloverleaf Plaza Campus at Rowan-Cabarrus Community College
 - Macon County Campus at Southwestern Community College
 - Public Safety Training Center at Wake Technical Community College
 - Northwest Guilford County Campus at Guilford Technical Community College³
 - Transylvania Center at Blue Ridge Community College⁴

Attachment A shows a detailed analysis of the cost of funding all current multi-campus locations using the current funding formula. To fully fund all 32 locations per the MCC formula (at the FY 2009-10 enrollment allotment amount of \$1,386 per FTE and level maximums) would cost \$17.8 million. Currently, the total amount of funding available for MCC allotments is \$13.8 million, resulting in an unfunded deficit of \$4.0 million in FY 2009-10. These numbers illustrate that the total appropriation does not fully fund the duplicative administrative and student services provided at these locations.

Recommendations for Funding

The recommended mechanism for incorporating new campuses into the funding model is to add the additional funding cost to enrollment growth projections as part of the budget development process each year. This ensures that all colleges can offer convenient access in appropriate geographic areas to community college programs and services while minimizing unnecessary duplication, proliferation of facilities and the impact on existing college campuses. This mechanism would also ensure that all colleges were treated equitably, consistent with G.S. 115D-5(a). Further, the appropriation for multi-campus funding should be increased to fully fund all locations to remedy the funding deficit caused by the current budget availability.

³ The development of the Northwest Guilford County Campus is currently delayed in the design phase due to the county's decision not to sell bonds in the amount necessary to sustain further project activity at this time. The college expects to hold classes at that location no sooner than the Spring or Summer Term 2012.

⁴ This campus is pending State Board approval of MCC designation in February 2010.